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These Forty Years

The Firm of LYBRAND, ROSS BROS. & MONTGOMERY began practice as public accountants in Philadelphia on January 1st, 1898. The forty years of the Firm's existence cover a period in which the practice of public accounting has made most remarkable progress. Just prior to the beginning of this period, public accountants in this country had taken steps to secure legislation establishing state boards to examine candidates and grant certificates to qualified practitioners. The first state to establish such a board was New York in April, 1896. Accountants in Pennsylvania succeeded in having a Certified Public Accountant law passed in March, 1899. Therefore, the Firm came into existence practically at the beginning of the movement which resulted in legal recognition of public accountancy.

The same period has witnessed the development of organized accounting bodies. While The American Association of Public Accountants was formed in December, 1886, there was little activity of a national character for many years, and the new state organizations which were formed later were interested primarily in the task of secur-

ing C. P. A. legislation. The profession, however, at the turn of the century included a number of men of ability and foresight which enabled it to meet the growing requirements of new and complex conditions.

The Pennsylvania Association of Public Accountants was organized in 1897, and the four founders of the Firm, William M. Lybrand, T. Edward Ross, Adam A. Ross and Robert H. Montgomery, were charter members, and were also among the first group of twenty-five who received Pennsylvania certificates in July, 1899, under the Act of March 29, 1899.

The effects of the depression of 1893 had been overcome in large measure in the succeeding years, and the years just prior to and succeeding the year 1900 witnessed the growth of combinations of business organizations. The services of qualified public accountants had been called upon increasingly in this connection, and the importance of the public accountant in the financial and business life of the nation was becoming more evident. With the continued expansion of business both in old and new lines, the public ac-

countant was afforded the opportunity to widen his field of usefulness. Later, the World War created emergencies that taxed the ingenuity and resources of business and government, and the public accountant was called upon to solve the many problems which arose in connection with accounting matters. The imposition of new forms of taxation further enlarged the scope of his activities, while the more recent legislation concerning the issuance of securities and the requirements for more detailed and explicit information in the reports of corporations has placed considerable additional responsibility upon the members of the profession of accountancy.

The Firm of LYBRAND, ROSS BROS. & MONTGOMERY has been privileged in having a part in the development of the profession of accountancy during this era of vast business expansion. The history of the Firm for its first quarter century has been recounted in some detail in the Twenty-fifth Anniversary number of this JOURNAL, and it will be necessary to include herein only a condensed record of that period. Then, too, Mr. Lybrand wrote a History of the Firm which appeared in the first numbers of this JOURNAL beginning with the issue of February, 1920, and his reminiscences of a half a century which appeared in the issue of January, 1938, contain additional information of much interest.

THE FOUNDERS

The four founders of the partnership, William M. Lybrand, T. Edward Ross, Adam A. Ross and Robert H. Montgomery, had received their training in public accounting in the office of John Heins of Philadelphia, one of the leading accountants of his day, and all of them had been admitted to partnership with him in the firm of Heins, Lybrand & Co. Joseph M. Pugh and Miss Lilian A. Ross, who composed the original staff of the present Firm, had been formerly in the employ of Heins, Lybrand & Co. Miss Ross joined the latter organization in 1892 whereas Mr. Pugh became associated with it during 1896.

Adam A. Ross began his service with Mr. Heins in November, 1886, and his brother in the January following. Mr. Lybrand became a member of the staff in December, 1887, and Mr. Montgomery in February, 1889. While these were all young men, they were forced to assume important responsibilities early in their career, because of the lack of older men of experience in public accounting, and this contributed to their more rapid development. This is evidenced by the fact that within a few years they were admitted to partnership.

The experience gained in association with Mr. Heins covered a wide field, including practically all lines of industry and finance, as the practice of the office was quite extensive for those days.

IN THE BEGINNING

The young Firm took up modest quarters in the recently erected Stephen Girard Building in Twelfth Street. The office consisted of two small rooms, one for the four partners and the other for the staff. The furniture was not elaborate, but the walls were decorated with an engraving of George Washington (sometimes referred to as our first client), a copy of a section of the Frieze of the Prophets in the Boston Public Library, and a brown print of a bit of country scenery. Presumably the first was to act as a reminder to tell the truth in all reports, while the second, no doubt, was to serve as a warning to watch one's step and to recall the frequent injunction of former days to "exercise eternal vigilance." The engraving of Washington and the print are still in the Philadelphia office, but the Prophets, foreseeing that numerous agencies would take over their work in later days, disappeared while the furniture was being moved to a new office. A set of bookshelves (the product of a client) which formed a part of the early equipment is still in use in the New York office.

The clientele of the new Firm at the start was not large, but it is interesting in looking over the early office records to note that among the first clients were quite a number of importance in the business and financial world, and that others began to be added soon thereafter. The first

year's activity extended into many different lines of industry. Within two years it became necessary to secure double the office space in the same building. At intervals since that time the Philadelphia office has had to seek larger accommodations, moving to the Land Title Building at Broad and Chestnut Streets, thence to the Morris Building in Chestnut Street, west of Broad Street, and from there to the present quarters in the Packard Building at Fifteenth and Chestnut Streets.

During the first four or five years the practice of the Firm in Philadelphia became well established and many engagements necessitated travel to various sections of the country. As these out-of-town engagements increased in number, the question arose as to the desirability of eventually opening offices in other cities.

NEW YORK OFFICE

In the consideration of the problem of expansion, the preference was given to New York as being the important financial centre of the country. Upon a decision to enter this field, Mr. Montgomery became the resident partner there in September, 1902, and opened an office at 25 Broad Street.

The statement was made in the Twenty-fifth Anniversary number and elsewhere that the first office consisted of two rooms. Extensive research, however, makes it appear that the assets were overstated in this

respect. In support of this opinion the following quotation from an article entitled "Early Days" by Colonel Robert H. Montgomery in the issue of May, 1926, of this JOURNAL would seem to be conclusive:

It was a serious matter securing adequate office quarters. No one ever before had expressed a desire for as small and as cheap an office as I sought. I did not intend that the overhead expenses during the first year should exceed the gross income. I finally located one room at 25 Broad Street. The room was large but was on a court and had only one window. I sublet the part of the room which contained the window to the newly formed law partnership of Floyd and Leary. They, too, were keen on keeping down expenses but as there were two partners they felt like spreading a bit. The net cost of the dark corner was really quite small.

As in Philadelphia, the first office was soon found inadequate and the offices were moved successively to 165 Broadway, 55 Liberty Street, 110 William Street, and, in 1931, to the present location at 90 Broad Street.

At the beginning the practice of the Firm in New York was necessarily quite limited, but gradually the ability and energy of Mr. Montgomery began to make an impress upon the business community and he gained increasing recognition. By the year 1908 the practice had reached a point where it became necessary to have an additional partner and Mr. Lybrand took up his residence in New York. Once well

established, the practice of this office increased until it outgrew that of the parent office. In this expansion the other offices have had a share in their contribution of several partners and staff members to the New York organization.

MR. PUGH ADMITTED TO PARTNERSHIP

The first addition to the Firm membership was made in 1904. Joseph M. Pugh had joined the staff of Heins, Lybrand & Co. in 1892, and had served as chief of staff in the firm of Lybrand, Ross Bros. & Montgomery from its formation. Prior to taking up public accounting he had attended Swarthmore College Preparatory School and Swarthmore College, and had then served for a time in a clerical position with a manufacturing company in Philadelphia. He and Mr. Staub were among the number of those who had qualified by examination for the Certified Public Accountant certificate in Pennsylvania at a time when the movement was in its infancy, and when examiners were inclined to give for solution special problems which had arisen in their own practice. Frequently these problems had given the examiner himself considerable trouble when he first met them, while the applicant had had access to no literature dealing with them, so that their solution called for a good deal of ingenuity.

Mr. Pugh's experience of over forty-five years in public accounting

brings him near the top of the list of veterans in practice.

PITTSBURGH OFFICE

Certain engagements of the Philadelphia office often necessitated travel to Pittsburgh in the early period of the Firm's history. As these visits increased in number it became desirable to open an office there, and in 1908 Walter A. Staub, who had been the principal senior in the Philadelphia office, was made manager of this new unit in the organization. In 1911 Mr. Staub took over the newly opened office in Chicago and he was succeeded at Pittsburgh by his brother, E. Elmer Staub, who, two years later, became manager at Chicago and was succeeded at Pittsburgh by H. H. Dumbille of the New York staff. Mr. Dumbille eventually returned to New York, and in 1917 George R. Keast of the Philadelphia staff became manager, and in January, 1922, the first resident partner, in Pittsburgh. When Mr. Keast became resident partner in San Francisco, January 1st, 1924, the management devolved upon William F. Marsh of the Pittsburgh staff who had formerly been in the Philadelphia office. Mr. Marsh was admitted to partnership on October 1st, 1929, and has continued as the resident partner in Pittsburgh since that date.

CHICAGO OFFICE

The growth of the Firm's prac-

tice made desirable an office in Chicago and in 1909 an office was opened there, Walter Beans of the Philadelphia staff being its first manager. He resigned two years later to become treasurer of Daniels & Fisher Stores Company of Denver, and Walter A. Staub became the resident partner. Mr. Staub removed to the New York office in 1913 and his brother E. Elmer Staub was transferred from the Pittsburgh office and installed as manager at Chicago. In 1915 he resigned to become comptroller of the Hudson Motor Car Company. He was succeeded by Thomas B. G. Henderson who became a member of the Firm in 1919, and remained as a resident partner until December 1st, 1931, when he went to the New York office. Another resident partner, Homer L. Miller, has been in charge of the office since that time.

MR. STAUB MADE A PARTNER

Walter A. Staub became a partner in 1911. Following his graduation from Girard College, where he had been an honor student, he worked for a time in the office of an electrical engineer and contractor and then for two years as a member of the office staff of the Girard Estate. He entered the employ of the Firm in January, 1901, at the age of twenty. From the first his remarkable ability and adaptability were evident, and he displayed a maturity of judgment beyond his years. At the Congress of Account-

ants in St. Louis in 1904 he received the prize awarded for the best paper by a clerk in an accountant's office on the subject of "The Mode of Conducting an Audit."

After eight years in the Philadelphia office he was appointed manager of the new office in Pittsburgh, and in 1911 became the resident partner in Chicago. He removed to the New York office in 1914.

Notwithstanding the exacting nature of his work, Mr. Staub has found time to make valuable contributions to accountancy literature, and he has been in great demand as a speaker upon accounting, taxation, and allied topics. He has been actively interested also in the work of the various accounting associations. These activities are more fully noted elsewhere in this number of the JOURNAL.

BOSTON OFFICE

The Boston office was opened in May, 1915, in charge of Carl T. Keller, under whose efficient management the office became an important unit of the organization. Mr. Keller became a partner in 1928. Homer N. Sweet joined the staff in 1916 and became a partner on January 1st, 1919. Donald P. Perry, a member of the Boston staff since 1919, was made a partner October 1st, 1929. These three are the resident partners at this time.

The development of the practice in each of the offices of the Firm has exercised an influence upon the prac-

tice of the other offices, and the Boston office's contribution to the progress of the Firm as a whole has been notable.

ADMISSION OF PARTNERS IN 1918 AND 1919

At the close of the first twenty years of the Firm's existence, its practice was being conducted in five offices, namely, Philadelphia, New York, Chicago, Boston and Pittsburgh. There were six partners, three each in Philadelphia and New York, with a manager in charge of each of the three other offices. At this point it became necessary to add to the number of partners in order to meet the requirements of the increasing volume of work, and on January 1st, 1918, four members of the staff were admitted to partnership, H. H. Dumbrille and Walter S. Gee at New York, and John Hood, Jr., and Albra W. Sharp at Philadelphia.

MR. DUMBRILLE, born and educated in Canada, had had varied experience in business, and in the offices of several public accounting organizations in New York before joining the staff of Lybrand, Ross Bros. & Montgomery in 1905, where his ability and industry won him a place in the Firm. Mr. Dumbrille obtained his certificate in Connecticut in 1918 and in New York in 1930.

MR. GEE, a graduate of Swarthmore College, entered the employ of the Firm in the Philadelphia office in

1908. Prior to going to college and during college vacations he had worked in banks, and after graduation was in the employ of the international banking house, Baring & Company, in their New York office. He passed the examination for Certified Public Accountants in Pennsylvania in 1915. In 1916 he was transferred to the New York office, served for a year as assistant manager of the Boston office and then returned to New York. His valuable services as a partner for thirteen years were highly appreciated by his associates, and his decease on December 31st, 1930, was a distinct loss to the Firm. Further reference will be made to Mr. Gee later in this article. The January, 1931, issue of this JOURNAL is dedicated to his memory.

MR. HOOD, who entered the Philadelphia office of the Firm in 1907, had been in the office of R. D. Wood & Co. for ten years and for a year with a well-known public accountant in Philadelphia. He obtained his certificate as a Certified Public Accountant in Pennsylvania in 1912. Last year Mr. Hood celebrated his thirty years' connection with the Philadelphia office where a large proportion of the responsibility for direction of the work of the office has rested upon his shoulders.

MR. SHARP had been a member of the Philadelphia staff for over ten years when he was admitted to partnership. He entered the office in

1907, coming from one of the units of the United States Steel Corporation. He secured his certificate as a Certified Public Accountant in Pennsylvania in 1912. Mr. Sharp was a partner but a few months, as he passed away May 14th, 1918, the first break by death in the membership of the Firm. He was a man of high character and was greatly beloved by those who had been privileged to know him.

The following year two others were added to the list of partners, Thomas B. G. Henderson in Chicago, and Homer N. Sweet in Boston.

MR. HENDERSON, a Chartered Accountant of Scotland, joined the Chicago staff in December, 1912. He began his accounting work in this country with a large firm in New York, and after about a year was transferred to Chicago. Later he served as auditor of the Buick Motor Company, then as general auditor of the General Motors Corporation in Detroit, leaving the latter company to enter the Firm's Chicago office. Mr. Henderson became manager of that office upon the resignation of E. Elmer Staub in 1915 and became resident partner January 1st, 1919. The New York office claimed him in December, 1931.

MR. SWEET graduated from Brown University in 1907 and entered the employ of Brown & Sharpe Manufacturing Co. in Providence.

After three years there he was employed by a certified public accountant and, while serving in that capacity, secured his certificate in Massachusetts in 1915 and later secured by examination a certificate from New York State. He entered the Firm's Boston office in 1916 and advanced to a partnership within three years.

Mr. Sweet has contributed much to accountancy literature and has been a lecturer in the Harvard University Graduate School of Business Administration for many years.

WASHINGTON OFFICE

The development which took place in Federal government affairs, especially through the agencies which grew up during and after the World War, made it necessary to establish an office at Washington, D. C., in 1919. The principal practice of this office has been in connection with Federal taxes, but work in connection with the filing of statements with the Securities Exchange Commission and contacts with other branches of the Federal government have made the office of increasing importance.

J. Marvin Haynes has been in charge of the Washington office for the past seventeen years. During a large part of this period he has been ably assisted by Chester J. McGuire and Wallace C. Magathan.

Mr. Haynes attended the University of Texas and later obtained

the degree of LL.B. from Georgetown University. He is a member of the bar of the District of Columbia and of various other federal courts, including the Supreme Court of the United States. Before coming to the Firm he served the Federal Trade Commission for nearly four years. His work in the field of federal taxation has been outstanding, and it has been due in no small measure to his marked ability in the fields of both accounting and law that the Washington office has been so helpful to our clients.

Chester J. McGuire, a graduate of Worcester Business Institute, served in the War Department at Washington in 1917, and from May, 1918, to July, 1919, with the Army in France. While with the Department of Justice he studied law at Georgetown University, graduating in 1921. He was appointed attorney in the Department the same year and in 1922 Special Assistant to the Attorney General. He became a member of the Washington office staff in 1923. Mr. McGuire is a member of the Bar of various courts, including the Supreme Court of the United States.

Wallace C. Magathan graduated from the University of Kansas in 1914 and obtained the degree of LL.B. at George Washington University in 1922. After graduating from the University of Kansas, he taught in the Philippine Islands, became Superintendent of Accounts of

the Bureau of Education at Manila, and, later, Assistant to the Director of Education. In September, 1917, he received a commission as Captain in the Quartermaster Reserve of the Army. Upon returning from the Philippine Islands he served as an accountant in the United States Bureau of Efficiency from 1920 to 1924. In July, 1924, he joined our Washington office staff. Mr. Magathan has been admitted to practice before the various courts in the District of Columbia, the Court of Claims, and the Supreme Court of the United States.

Mr. Magathan has also been prominent in the civic affairs of Takoma Park, D. C., where he resides.

THE L. R. B. & M. JOURNAL

By no means the least of the agencies in our organization is the L. R. B. & M. JOURNAL, which first saw the light of day in January, 1920. As our organization grew and its members became more and more separated by the establishment of new offices, the need for some method of disseminating data of general interest and of keeping the staffs of the various offices in touch with one another became apparent. This is expressed in the introduction of the first issue, as follows:

It is clear that an office journal is needed. With live and growing offices in cities as widely separated as Philadelphia, New York, Chicago, Boston, Pittsburgh and Washington, not to mention our agencies, there must be some

medium available whereby interesting office news of all kinds may be made known to us all. If we do not have some way of making these offices acquainted with one another, they will always be strangers, and that must not be. They form one group, in fact, and they must do so in spirit.

The annual gatherings of partners and principals have been of immense profit in the discussion of new problems arising in the course of practice and also in renewing old friendships and forming new ones between those who seldom or never meet except on such occasions. But a large proportion of the staff cannot attend these annual meetings and for them the JOURNAL is almost their only medium for keeping in touch with the organization as a whole, and as a source of information on many vital questions.

As the Editor is not responsible for this article this occasion affords an opportunity for a word of praise of the splendid service which Mr. Staub and his assistants have rendered to the Firm and the staff during the past eighteen years. As the JOURNAL must be published amid the pressure of other duties, it is realized that it has cost a great deal of personal sacrifice on the part of the Editor and his staff.

DETROIT OFFICE

The Detroit office was opened in 1920 with Richard Fitz-Gerald, formerly of the New York staff, in charge. Mr. Fitz-Gerald became the resident partner on October 1st,

1929, and continued in charge of the office until his death on July 30th, 1933. The great industrial development which has taken place in Detroit, particularly in connection with the manufacture of automobiles, has made the office in that city an important part of our organization.

Mr. Fitz-Gerald, with the able assistance of M. A. Yockey, developed an increasing practice in the Detroit district, and his passing, at an age when he might have expected many more years of activity, was a source of grief to his associates and a loss to our organization. The issue of the *JOURNAL* of September, 1933, is dedicated to his memory.

Donald M. Russell, a Philadelphia partner, became the resident partner in Detroit toward the close of 1934.

SEATTLE OFFICE

The first office to be opened on the Pacific Coast was at Seattle in the year 1920. Norman L. Burton, of our Chicago office, was appointed manager and served in that capacity for a number of years. The offices in the L. C. Smith Building were occupied for thirteen years, when new quarters were secured in the Skinner Building. Mr. Burton became a member of the New York staff in December, 1925, and was succeeded as manager by Don S. Griffith, a member of the staff of the San Francisco office.

Mr. Griffith has been active in the affairs of the Washington Society of Certified Public Accountants,

serving for two terms as president, 1934 to 1936, as well as chairman of several of its committees. During his terms as president and afterward when he was chairman of the legislative committee of the Society he was called upon to help defeat attempts to destroy the effectiveness of the C. P. A. law and also in securing amendments to the law to strengthen its provisions.

MR. KEAST ADMITTED TO PARTNERSHIP

George R. Keast became a member of the Firm in January, 1922. A graduate of the Evening School of Accounts and Finance of the University of Pennsylvania, Mr. Keast had been engaged for some years in the office of a railroad company and became a member of the Firm's Philadelphia staff in 1910. In 1917 he became manager of the Pittsburgh office. He obtained his certificate in Pennsylvania on January 9th, 1920.

When the practice of Klink, Bean & Co. in San Francisco and Los Angeles was merged with that of Lybrand, Ross Bros. & Montgomery on January 1st, 1924, Mr. Keast became the resident partner on the Pacific coast with headquarters in San Francisco. Mr. Keast has been identified not only with the accountancy societies in California, but with the civic and social activities of San Francisco which has been his home for the past fourteen years.

CLEVELAND OFFICE

The Cleveland office was opened in 1923 and Prior Sinclair of the New York staff, who had been loaned for a year to serve as Comptroller of the United States Shipping Board, was released from this engagement and assumed the management of the new office. Temporary quarters were leased in the Citizens Building pending the completion of the Union Trust Company Building, when the offices were removed to the latter location. The offices were transferred to the Midland Bank Building at the close of the year 1930.

Mr. Sinclair returned to New York in January, 1927, and William F. Marsh took over the management in connection with the Pittsburgh office. Robert E. Warren became manager on December 1st, 1929, and in 1934 the resident partner.

CINCINNATI OFFICE

For many years the Firm had had regular engagements in Cincinnati and clients there had urged from time to time that a local office be opened. In 1923 the office was established and A. Charles Guy was transferred from the Philadelphia staff to become its manager. The expansion of the practice in this district led to the opening of an office in Louisville in order to care adequately for work in that city. Mr. Guy became resident partner in Cincinnati in 1931. His recent death is noted elsewhere in this account.

Fred C. Dennis, who had been chief-of-staff in Cincinnati for many years, was appointed manager upon Mr. Guy's death. Mr. Dennis is a graduate of Swarthmore College and was a member of the first students' class in the Philadelphia office where he worked for several years before his transfer to Cincinnati on April 1st, 1930. He is a Certified Public Accountant of Pennsylvania, his certificate having been secured in 1921. During the World War he was a member of the Bombing Section of the Air Service and was about to embark for France when the Armistice was signed.

CALIFORNIA OFFICES

The national growth of our practice made it necessary for us to be represented in California and this led to an arrangement in 1912 with the firm of Klink, Bean & Company, of San Francisco and Los Angeles, who acted as our agents for some years. This arrangement proved very satisfactory and led eventually to a merger of the practice of Klink, Bean & Company with that of Lybrand, Ross Bros. & Montgomery on January 1st, 1924. George T. Klink, Barton T. Bean and C. S. Black, the partners of the former firm, became partners of Lybrand, Ross Bros. & Montgomery. The Twenty-fifth Anniversary Number contains a more complete record of the merger.

George R. Keast, who had been resident partner in Pittsburgh, re-

moved to San Francisco and took over the administration of the two Pacific Coast offices in cooperation with the other resident partners. Robert Buchanan, of the New York staff, was assigned to San Francisco to assume the direction of the tax department.

Messrs. Klink, Bean and Black retired as partners on September 30th, 1929, but continued their association with the Firm. The death of Mr. Bean on November 8th, 1935, was a cause of profound sorrow to his associates. The issue of the *JOURNAL* of January, 1936, contains a brief sketch of his life and a tribute from the pen of Stuart C. McLeod, the Secretary of the National Association of Cost Accountants.

In the autumn of 1925 Walter B. Gibson of the Boston staff was transferred to Los Angeles to assist Mr. Keast in the administration of the practice on the Pacific Coast. He became the resident partner in Los Angeles October 1st, 1929, as noted elsewhere in this article.

An office was maintained at Oakland, California, from the fall of 1924 to the spring of 1926, after which the engagements there were cared for by the San Francisco office.

BALTIMORE OFFICE

From its organization, the Firm had had several important engagements in Baltimore and from time to time the question of opening an office in that city was discussed. In the

spring of 1924 office space was secured in the new Citizens National Bank Building and Frank E. Hare of the Philadelphia staff served as manager for a year. He had entered the Philadelphia office in 1909 and had secured his certificate as a Certified Public Accountant in Pennsylvania in January, 1918.

Mr. Hare was succeeded in November, 1925, by Walter L. Schaffer of the Philadelphia staff, who became the resident partner in Baltimore on October 1st, 1929. When he went to the New York office in 1934, his chief assistant, A. H. Dewdney, became manager of the Baltimore office.

Under the direction of Messrs. Schaffer and Dewdney the Baltimore office has become an important unit of the organization.

Mr. Dewdney, born in Switzerland, but a Briton by inheritance and a United States citizen by adoption, received his education in this country and is a graduate in accounting of Pace Institute in New York. After some years of experience in shipping and industrial lines, he entered the employ of a firm of public accountants in New York and later became assistant manager and acting manager of their Baltimore office. He joined the Baltimore staff of Lybrand, Ross Bros. & Montgomery during August, 1925.

The office was removed to the First National Bank Building in 1929.

BERLIN OFFICE

As American investments in Great Britain and the Continent of Europe increased it became necessary for the Firm to establish European connections in order to serve effectively certain of its clients who had plants and branch offices in Europe. For many years the Firm was represented by Jackson, Pixley & Co., Chartered Accountants, with offices in London and Paris.

Many of our clients, however, had interests in central Europe, and following the war and the subsequent stabilization of German currency, it was expected that these interests might be greatly expanded. In the autumn of 1924 the Firm decided to open an office in Berlin with E. Elmer Staub as resident partner.

Mr. Staub, who began his association with the Firm as a member of the Philadelphia staff in 1904, was a graduate of Girard College and had gained business experience in the offices of the Third National Bank, the Lehigh Valley Railroad Company and the Girard Estate. He obtained his certificate in Pennsylvania January 9th, 1907. In 1908 he became office manager at New York and later served as manager, first at Pittsburgh, 1911-1913 and then at Chicago, 1913-1915. He resigned in 1915 to become an officer of the Hudson Motor Car Company and served also as a member of its Board of Directors until January 1st, 1925, when he became a partner in Lybrand, Ross Bros. & Mont-

gomery and took up his residence in Berlin. After about a year Mr. Staub retired from the Firm to enter practice on his own account.

F. J. H. O'Dea, a Chartered Accountant and a member of the Glasgow Institute, was appointed manager in 1925. He became a member of the European partnership in 1931 and is now a resident partner in Paris.

NEWARK OFFICE

Early in 1926 an office was opened in Newark, N. J., with Roy B. Tomlins of the New York staff as manager.

In October, 1929, John A. Farrar was made manager. He had joined the New York staff on January 21st, 1924. He holds a C. P. A. certificate granted by the State of New York, and also secured a New Jersey certificate in 1932. He is a member of the New Jersey Society of Certified Public Accountants in which Society he has served on several important committees.

PORTLAND AND SPOKANE

The practice of Messrs. Harper, Whitcomb & Roberts, which firm had offices in Portland and Spokane, was acquired in June, 1926. F. C. Kohnke of the San Francisco staff was appointed manager. The Spokane office was closed in 1928.

As many of the engagements of the Portland office were in territory remote from that point and could be handled as effectively from our other

Pacific Coast offices, the office in Portland was closed in 1937. Mr. Louis D. Kork, who had been in charge of that office for a number of years, was transferred to the New York office.

PARIS OFFICE

For some years the Firm was represented in Paris by Jackson, Pixley & Co., Chartered Accountants, of London. A partnership as of July 1st, 1926, was entered into, composed of the firms of Jackson, Pixley & Co. and Lybrand, Ross Bros. & Montgomery and Arnold T. Davies, Chartered Accountant, of England. The direction of the Berlin office was included in this arrangement. This partnership terminated on January 1st, 1928, and a new partnership was formed of the Firm of Lybrand, Ross Bros. & Montgomery and Mr. Davies. When the London office was opened on January 1st, 1929, Mr. Davies took over its direction also. Later Mr. Davies removed to the London office and was succeeded by L. Cunliffe David, who was joined later by Francis J. H. O'Dea, formerly of the Berlin office, both of whom are now resident partners in Paris.

MR. DAVIES

Arnold Thomas Davies was born in Monmouthshire and was educated at Craigmores College, Gloucester, where he was made prefect and played on the first eleven in football and cricket. He passed the Oxford

and Cambridge Junior and Senior examinations and sat for the preliminary examination of the Institute of Chartered Accountants, being placed tenth in order of merit.

Mr. Davies was articled to a firm of Chartered Accountants in Newport, Monmouthshire, where he gained experience in general practice and in the accounts of colliery, iron and tinplate companies. He became a member of the Institute of Chartered Accountants in England on the completion of his five-year period of articles and later became a Fellow of the Institute.

He spent three years in Nottingham and four years in London during which he gained a wide and varied experience in general practice. He made a study of cost accounting which led to an appointment as chief accountant to an industrial firm with factories in England and at several points on the Continent. His work took him to most of the countries of Europe, including Russia during the Czarist regime. During the World War the product of the factories was largely used in aeroplane production. The English factory was partly destroyed by an explosion and fire in 1917.

In the year 1921 he commenced to practice in London, but found that his work could be more conveniently carried on in Paris and it was in this city that in 1925 he formed his first contact with our Firm, which led to the present association as a member

of the European partnership of Lybrand, Ross Bros. & Montgomery, which was later enlarged by the admission of O'Dea, Norris and David.

Mr. Davies now has his headquarters at the London office and his residence is among the cherry orchards in the Old World village of Lynsted, near Sittingbourne, Kent.

F. W. HILDITCH & Co.

In the spring of 1928 the firm of F. W. Hilditch & Co. of New York became associated with us and their practice was continued under the joint direction of the two firms.

MR. KELLER ADMITTED TO PARTNERSHIP

Carl T. Keller, who had been in charge of the Boston office since its opening in 1915, and under whose efficient management an extensive practice had been developed, was admitted to partnership in 1928.

Mr. Keller graduated from Harvard in the class of 1894 and entered the service of the American Telephone and Telegraph Company, later being employed by the Rock Island Railroad Co. He joined the organization of the New England Telephone and Telegraph Company in 1901 and eventually rose to the position of General Commercial Superintendent and Assistant General Manager. Prior to becoming manager of our Boston office Mr. Keller had been a member of the New York staff.

MR. SINCLAIR BECOMES A PARTNER

Prior Sinclair became a partner on October 1st, 1928. He had served on the staff in the New York office from April, 1919, and had performed notable service in connection with the accounts of the United States Shipping Board. He had also served as manager of our Cleveland office from its opening in 1923, as heretofore stated, until January, 1927, when he was called upon to assume increased responsibilities in the New York office.

DEATH OF ADAM A. ROSS

Among the group of six who composed the entire organization on January 1st, 1898, there had been no deaths until June 15th, 1929, when Adam A. Ross passed away, after a service of over forty-two years in public accountancy.

Mr. Ross had always taken a keen interest in the progress of the profession. He entered the employ of John Heins just before the formation of the first national body, the American Association of Public Accountants. He was a charter member of the Pennsylvania Association of Public Accountants (now called the Pennsylvania Institute of Certified Public Accountants), and had served as its president and in other official positions. He was treasurer of the American Institute of Accountants for three years, and served on its Executive Committee and on many other important committees.

For eight years he was a member of the State Board of Examiners of Pennsylvania.

Mr. Ross had a wide acquaintance among officers of the financial institutions of Philadelphia and elsewhere, and the audit of banks, trust companies, investment and brokerage houses, and life insurance companies by the Philadelphia office was conducted to a large extent under his supervision.

The issue of the *L. R. B. & M. JOURNAL* of July, 1929, is dedicated to his memory.

ADDITIONAL PARTNERS

On October 1st, 1929, several members were added to the Firm from the staffs of the various offices. The expansion of the field of practice in different parts of the country and the increase in practice in the older offices made an increase in the number of partners a necessity. It was fortunate that in our own organization men were found who possessed the qualifications to meet the partnership requirements. The issue of the *L. R. B. & M. JOURNAL* of January, 1930, contains a rather detailed review of the careers of those admitted to the partnership during October, 1929.

From the New York staff came Hermon F. Bell, Norman J. Lenhart and Conrad B. Taylor.

MR. BELL, a graduate of Amherst College, had been with the Firm since 1912, and had specialized in department store and retail mer-

chandise accounting. He has established a reputation as an authority in these lines.

MR. LENHART, after graduating from the University of Illinois, entered the office of Arthur Andersen & Company in Chicago. He became a member of the Chicago office staff of our Firm in 1919 and was transferred to the New York office in 1927. He has the distinction of having received the silver medal of the Illinois Society of Certified Public Accountants in 1918 for the excellence of his grades in passing the Illinois C.P.A. examination.

MR. TAYLOR was born in England and was educated at Alleyn's College, Dulwich. For six years he was connected with Lloyd's, and later succeeded his father in the management of a publishing and printing business which had been in the family since 1799. After coming to the United States he was an auditor with a milling company in Minneapolis and later with a newspaper. He became a member of our Chicago staff in 1917 and in 1920 became associate manager with Mr. Fitzgerald of our Detroit office. The New York office claimed him in 1922 where he took charge of the Tax Department.

The four new partners in the Philadelphia office were George R. Drabenstadt, A. Karl Fischer, Clarence R. Haas and Donald M. Russell.

MR. DRABENSTADT was educated at Millersville, Pennsylvania, State Normal School and the Wharton Evening School of Finance and Commerce, University of Pennsylvania. He obtained his preliminary experience in the accounting department of the Lehigh and New England Railroad Company and in our Philadelphia office, which he entered in 1913.

MR. FISCHER was educated at Episcopal Academy, Philadelphia, and upon graduation in 1908 was employed in the Philadelphia office. He served in the World War and was severely wounded. After being discharged from the hospital in July, 1919, he resumed his position with the Firm. Mr. Fischer has taken an active interest in the Pennsylvania Institute of Certified Public Accountants.

MR. HAAS, a graduate of the Wharton School of Finance and Commerce of the University of Pennsylvania, became a member of the Philadelphia staff in 1916. He was one of the two students in the first summer school conducted by the Firm, and survived to enter the Army the following year, where he was placed in charge of the accounts of camp exchanges at Camp Lee in Virginia. After his discharge from military duty he returned to his former position.

MR. RUSSELL obtained the degree of Bachelor of Science from Wor-

cester Polytechnic Institute in 1913, and after three years of research in engineering and teaching he attended the Harvard Graduate School of Business Administration, leaving to enter the Pay Corps of the United States Naval Reserve Corps. In 1919 he took up public accounting in the Philadelphia office. Mr. Russell became the resident partner of the Detroit office toward the end of 1934, succeeding Mr. Fitz-Gerald who had died in the previous year.

DONALD P. PERRY, of the Boston office, was also admitted to partnership. A graduate of Harvard University of the class of 1916, he engaged for a time in teaching and then entered the Army, being commissioned as a second lieutenant, and saw active service in the artillery with the famous 42nd Rainbow Division. After his military service he was with the United States Shipping Board for a time, and in the fall of 1919 became a member of the staff of the Boston office.

Chicago was represented in the additions to the Firm in the person of HOMER L. MILLER, who for some time had been in charge of the Chicago office under Mr. Henderson, the partner at that office. He joined the New York office staff in April, 1919, and had transferred to the Chicago office later in that year. Prior to his association with the Firm, he had obtained his certifi-

cate as a C. P. A. from the State of Illinois.

When the Detroit office was opened in 1920, MR. FITZ-GERALD, a member of the New York staff, was appointed manager. Mr. Fitz-Gerald, an Irishman by birth, had received his academic training at Queen's College, University of Dublin, and the Royal Naval Academy. He came to New York in 1905, where he attended Columbia University, obtaining the degrees of Bachelor of Arts and Bachelor of Science. He became a C. P. A. of New York in 1911 and entered our New York office in 1919. He received his degree of C. P. A. in Michigan in 1920. His admission as a partner was a recognition of his successful administration of the Firm's practice in Detroit.

The Pacific coast was represented in the additions to the Firm membership by WALTER B. GIBSON, who had been manager of the office in Los Angeles since 1925. He had entered the Firm's employ at the Boston office in 1920. Mr. Gibson is a graduate of Dartmouth College and of the Amos Tuck School of Administration and Finance. He had several years of experience in the public utility field in various parts of this country and in Puerto Rico as a member of the well-known organization of Stone & Webster, and in other lines. He is a Certified

Public Accountant of Massachusetts, California and New York.

WALTER L. SCHAFER joined the Philadelphia staff in October, 1917, after being six years in public utility work. The following year he entered the Army and saw service in France with the 311th Infantry. He resumed his duties with the Firm in April, 1919, and obtained his C. P. A. degree in Pennsylvania in 1925. He was appointed manager of the Baltimore office in 1925. New York absorbs a great deal of the talent developed in all parts of the country, and Mr. Schaffer answered the call in 1934, joining the list of resident partners in that city.

WILLIAM F. MARSH began his connection with the Firm in the Philadelphia office. He attended the Wharton School of Finance and Commerce of the University of Pennsylvania, and had a varied experience in banking prior to his entering public accountancy. He had also been employed by The Atlantic Refining Company. He, too, had been in the service of the United States during the World War, having been a member of the United States Naval Reserve Force and being promoted to the rank of Ensign in the Pay Corps. On his discharge in 1919, he was assigned to our Pittsburgh office, and when Mr. Keast removed to San Francisco, January 1st, 1924, Mr. Marsh was made manager at Pittsburgh. He secured his C. P. A. degree from the

Commonwealth of Pennsylvania in 1921. The activities of the various accountancy bodies have claimed his interest, especially those of the National Association of Cost Accountants, of which body he is now the president.

ROCKFORD OFFICE

Among the clients of the Chicago office were many corporations in Rockford, Illinois, and it became expedient to open an office there. This was done in November, 1929. The management has been in the capable hands of John W. Conrad, formerly of our Chicago office, who for some time prior to the opening of the office had been in charge of many of the engagements in this vicinity. Mr. Conrad graduated with honors from the University of Illinois in 1922, where he majored in accountancy. During the World War he was an officer in the Field Artillery. He joined the staff in the Chicago office in 1922.

ST. LOUIS OFFICE

The office in St. Louis was opened in March, 1930, and has been under the management of Raymond L. Ward, who had been in the Chicago office for six years.

Mr. Ward attended the University of Illinois, majoring in accounting until the end of his third year when he entered the Army. At the conclusion of the World War he served as chief accountant with an automobile company for a year, and

then became associated with Charles H. Orto, C. P. A., of Little Rock, Ark. He joined our Chicago staff November 12th, 1923.

ATLANTA OFFICE

For a number of years the Firm's practice in the Southern States had been carried on either with the co-operation of Peter & Moss, of Dallas, Texas, or, in the eastern section, by our northern offices. As the number of engagements in the latter section increased, it was decided to open an office in that district, and one was opened in Atlanta, Georgia, in 1930. A member of the New York staff, Stephen B. Ives, was placed in charge. He had been in the New York office since February 23rd, 1926.

Mr. Ives graduated from Harvard University in 1916, having secured an A.B. degree Cum Laude in three years. He was employed in the office of the General Manager of the Atlantic Coast Line until he entered the Army in 1917, where he became a First Lieutenant and served as Adjutant of his regiment for two months. In 1921 he was employed in the office of the Sinclair Refining Co. of Louisiana, and in 1926 became a member of our New York office staff. Mr. Ives became a Certified Public Accountant of Georgia by examination on January 12th, 1931.

MERGER OF THE PRACTICE OF PETER & MOSS

Beginning in 1914 the practice in

Texas had been carried on in association with Peter & Moss of Dallas, Texas, and in 1930 it was agreed to merge their practice with that of Lybrand, Ross Bros. & Montgomery. Under this agreement William P. Peter, Albert G. Moss, and J. F. Stuart Arthur, the partners of Peter & Moss, became partners of Lybrand, Ross Bros. & Montgomery and the practice was continued under the latter name.

Mr. Peter had begun practice as a public accountant in 1906 under the firm name of W. P. Peter & Company. Four years after the merger his associates were called upon to mourn his death, a man for whom all the partners of the Firm had a deep affection. The *L. R. B. & M. JOURNAL* of September, 1934, contains an account of his life and tributes to his memory.

Major Moss entered public accounting in 1910 as a member of the staff of a firm in Memphis, Tennessee, after having been engaged in the fields of banking and manufacturing. He entered the employ of W. P. Peter & Company in June, 1911, and on July 1st, 1913, was admitted to partnership, the firm name being changed to Peter & Moss. In May, 1917, he was appointed to the War Emergency Construction Accounting Committee of the American Institute of Accountants and assisted in formulating accounting procedure for the War Department in connection with the construction of army camps. He was appointed Division

Auditor in the War Department in charge of accounting for construction expenditures at Camp Pike, Little Rock, Arkansas, and Camp Beauregard, Alexandria, Louisiana.

In December, 1917, he was transferred to Washington, D. C., with Charles Neville and William Whitfield to formulate accounting procedure for the Cantonment Division of the Army. In January, 1918, he was appointed to the General Staff of the Army under General Palmer E. Pearce, Colonel Montgomery being his immediate superior. The following month he received his commission as Major and was made Chief of Commandeering Section under Major George W. Goethals with General Hugh Johnson as his immediate superior. Major Moss served in the latter position for a year.

Major Moss served on the Town Council of Highland Park, near Dallas, as finance commissioner, for two years and was recently re-elected for a two-year term.

Mr. Arthur, a native of Haworth, Yorkshire, England, was educated at Keighley Grammar School, Yorkshire, and Edinburgh University. He served his apprenticeship with J. Aikman Smith & Wells, Chartered Accountants of Edinburgh, from 1911 to 1915. He became an officer of the Royal Field Artillery in 1915 and served until 1918, for some time as artillery instructor and later on the Western Front. He then was appointed to the Audit

Division of the British Ministry of Munitions in charge of the Divisional Office in Sheffield.

Mr. Arthur was admitted to membership in Chartered Accountants of Scotland, Society of Accountants in Edinburgh in 1918, having passed his final examination "with distinction." In 1920 he entered the employ of Peter & Moss and was admitted to partnership in July, 1924.

MR. GEE'S DEATH

The death of Walter S. Gee, on December 31st, 1930, was a distinct loss to the Firm. For over twenty-two years he had been a member of our organization, eight years of which were spent in the Philadelphia office and the remainder in New York, except for a short period in the Boston office. Aside from his service to the Firm, he had been interested in the welfare and advancement of the profession as a whole and gave of his time in service on important committees of the American Institute and the New York State Society of Certified Public Accountants.

He was one of the founders of the National Association of Cost Accountants and his services to that organization resulted in his election to the office of president in 1930. The tributes from many sources, which appeared in the January, 1931, issue of the *L. R. B. & M. JOURNAL*, are an evidence of the esteem in which he was held by those of our own organization as well as by others

with whom he came in contact in his various activities.

HOUSTON OFFICE

The Houston office was opened on October 1st, 1931, under the supervision of the resident partners of the Dallas office. Theodore W. Mohle, from the latter office, has been the resident manager since the opening of the office. Soon after arriving in Houston, Mr. Mohle served on the committee which organized the Houston Chapter of the National Association of Cost Accountants and later served as secretary and director of the Chapter. At present he is the president of the Texas Society of Certified Public Accountants.

MR. GUY ADMITTED TO THE FIRM

The Firm's practice at Cincinnati had been under the management of A. Charles Guy since the opening of that office in 1923, and in 1931 he was admitted to partnership. Mr. Guy's training in public accounting was begun in Great Britain. During the World War he came to this country as a member of the War Ordnance Division of Great Britain, under Captain J. C. W. Reith, as a chief supervisor in the development of departments for the inspection of ordnance and for the general and cost accounting. When the United States entered the War these facilities were turned over to the United States authorities. Captain Reith (now Sir John Reith,

director general of the British Broadcasting Corporation) recommended Mr. Guy to our Philadelphia office, and he became a member of the staff in 1918. Among his assignments were several that took him to Cincinnati at certain intervals, and when the decision was made to open an office there, he was chosen to become its manager.

The practice in Cincinnati under Mr. Guy's direction developed locally and also led to the opening of an office in Louisville. After fifteen years of service in Cincinnati Mr. Guy's career was ended by his tragic death in an automobile accident on the 22nd day of January, 1938.

LOUISVILLE OFFICE

As an outgrowth of the practice of the Cincinnati office, an office was opened in Louisville, Kentucky, December 1st, 1931, with C. Palmer Parker as resident manager. Mr. Parker, who had been associated with another firm of accountants, joined the Cincinnati staff in 1929. He resigned as manager of the Louisville office in January, 1936, to make a connection with one of our client companies, and was succeeded by Paul J. Halloran. Mr. Halloran, who had been on the staff of a large firm of accountants, joined the staff in Cincinnati in December, 1931.

ADDITIONS TO EUROPEAN PARTNERSHIP

Francis J. H. O'Dea of the Berlin

office, Victor L. Norris of the London office, and L. Cunliffe David of the Paris office, became members of the European partnership, as of October 1st, 1931.

Mr. O'Dea was born in Glasgow in 1895 and became apprenticed to the firm of Macharg & Son, Chartered Accountants, in 1912, a member of which firm was one of the founders of the Institute created when Glasgow public accountants received the Royal Charter in 1855.

The World War claimed him in 1915, during the course of which he was three times returned for repairs, the last time in October, 1918. The following year he resumed his apprenticeship, dividing his time between the hospital, the office and evening classes. He passed the final examination for Chartered Accountants and became a member of the Glasgow Institute in 1920. After further experience in the offices of two firms of public accountants, and as assistant to the adviser to a large industrial group, he became in 1925 manager of the Berlin office of Lybrand, Ross Bros. & Montgomery. His work has brought him into contact with business interests in most of the European countries. In the dispute between German interests and the Polish Government before the Hague International Court, he presented the accounting aspects of the case of German interests. Mr. O'Dea transferred to the Paris office in 1936.

Victor L. Norris is a native of

London, having been born in the metropolis in 1897. He was educated at St. Olave's Grammar School, London, an original foundation of King Olaf of the Ninth Century, which was given a free charter in the reign of Queen Elizabeth. In 1915 he entered the office of a firm of Chartered Accountants, and in November of that year he joined The Artists Rifles. After some months of training he was commissioned in the Middlesex Regiment, and in November, 1916, joined the 23rd Battalion in the Ypres Salient. The following two years were spent principally in Belgium, with a short stay in Northern Italy during the winter of 1917. He was with the Army of Occupation in Cologne until February, 1919.

Mr. Norris became articled to the firm of W. J. Calder & Son where he had been previously employed, and attended evening lectures of the Chartered Accountants Students' Society. He passed the final examination for Chartered Accountants in 1923. The following five years were spent on the staff of Howard, Howes & Company, and in the office of one of their clients with large interests in England and abroad. When Lybrand, Ross Bros. & Montgomery opened a London office under their own direction in November, 1928, Mr. Norris was appointed manager.

L. Cunliffe David was also educated at St. Olave's School, London. He was articled to F. H. Ebsworth,

one of the oldest members of the English Institute. Service in the War occupied him from July, 1918, to November, 1919. His articles were completed in 1923, and he then joined Mr. Davies in Paris. His duties have taken him into nearly all the countries of Europe from southernmost Spain to Finland. In this connection he has enjoyed some interesting experiences, such as entering Spain in 1931 under armed guard, being in Germany during the Hitler coup, in Denmark during Communist trouble, in Estonia during Communist uprising, and in Italy during Fascist riots.

His recent professional experience included the unwinding of an extremely complicated situation created by the German currency restrictions and clearing house regulations on the German export trade, involving some thirty-five countries. Mr. David was accepted in 1936 by the French Government as an Expert attached to the Court of Appeal of Paris for the purpose of admittance to an official list of auditors who may certify the accounts of public corporations.

DEATH OF MR. FITZ-GERALD

During the first thirty years of the Firm's history, there had been but one death among the partners, that of Mr. Sharp in 1918 shortly after his admission to the Firm. In 1929 and 1930, respectively, Messrs. Adam Ross and Gee passed away, and in 1933 another loss was suf-

ferred in the decease of Mr. Fitzgerald, a man who had greatly endeared himself to all his associates. He was an unusually interesting character and he will long be remembered by those who were fortunate enough to have had the privilege of his friendship. His supreme devotion to duty, even during the period of ill health preceding his death, was one of his outstanding characteristics. The issue of September, 1933, of the *L. R. B. & M. JOURNAL*, contains a sketch of his career and tributes by his partners and other friends.

MESSRS. METZLER AND WARREN BECOME PARTNERS

The most recent additions to the Firm were Frederick S. Metzler of Philadelphia and Robert E. Warren of Cleveland in November, 1934.

Mr. METZLER is a graduate of the Evening School of Accounts and Finance of the University of Pennsylvania. Before becoming a member of the Philadelphia staff in April, 1917, he had been engaged in railroad and bank accounting. During the World War he served with the 315th Infantry, 79th Division, in France. Mr. Metzler received his certificate as a Certified Public Accountant in Pennsylvania in 1925. His ability was recognized in his early years on the staff, and he was given, from time to time, increasing responsibilities which he executed so satisfactorily that his admission to partnership followed.

Mr. WARREN, after graduation from Ohio Wesleyan University, spent two years in accounting and office work, and then entered the Army during the World War, becoming a second lieutenant in the air service. After the War he took up public accounting and obtained his certificate as a Certified Public Accountant in Ohio in 1923. He joined the staff in Cleveland in that year, where his services won for him the position of manager in 1929. Mr. Warren has been a contributor to the *L. R. B. & M. JOURNAL* and has been active in the affairs of The Ohio Society of Certified Public Accountants, serving as its Vice-President and also as President of its Cleveland Chapter.

PUBLIC WELFARE ACTIVITIES

Outside the field of regular professional service, members of the partnership have been called upon frequently for service to public institutions in cities where the Firm's offices are located. Among such calls are the annual raising of funds for such institutions as Community Chests, Hospitals, Homes, American Red Cross, The Salvation Army, and occasional efforts for the raising of endowment funds for educational and other bodies. Frequently these efforts involve the supervision and keeping of records for groups and divisions over a period of several months, involving a great deal of clerical work on the part of our organization. Cooperation in four

such campaigns running concurrently occupied the time of a portion of the staff of the Philadelphia office during the past winter.

CONCLUSION

The professions have all made great strides in the past forty years. Books which have been published in the past few years, dealing with the experiences of physicians and surgeons during the past half century, have given the layman an insight into the conditions and practices that prevailed at the beginning of that period. Many laymen of to-day have a greater knowledge of the sources of infection, etc., than that possessed by many surgeons of high standing fifty years ago. A surgeon who attempted to operate with the appliances of that period, and without taking the precautions now deemed of primary importance, would be headed for trouble. Yet surgery had had a long period of development before public accounting had come to be regarded in many quarters as anything more than a somewhat necessary nuisance, only tolerated as a kind of protection of the employer against fraud on the part of the employee.

The development in the practice of accounting has been fully as great, if not greater, as that in medicine, law and engineering, and no period has witnessed as great an evolution as is taking place at the present time.

We have traveled far since a certificate reading "Audited and found correct" was considered adequate, but any form of certificate which has been devised and approved by the profession from time to time must be subject to constant revision in order to meet the demands of new conditions. Accounting principles need to be constantly under consideration in the light of most recent developments. Problems in accounting terminology and in other respects await satisfactory solutions.

While the profession may view with satisfaction the remarkable progress of the past, the responsibilities of the present and the realization of the problems which lie in the future require that there shall be an advance in cultural and technical training for those who are to carry on, and an increasing appreciation of those personal qualities of character which any profession requires in its members if it is to fulfill its obligations to society.

In closing, it may not be out of place to refer to the fact that the four senior partners of the Firm have been in close association for a period approximating fifty years. This is a matter of great satisfaction to them and they appreciate the loyal cooperation of those with whom it has been their privilege to labor during the period under review.

Contributions to Accountancy Literature

The abundance of literature now available to the public accountant and student is in striking contrast to the scarcity of books and periodicals dealing with the work of public accounting in this country at the time our Firm was organized. Bookkeeping text books of the period did not furnish much information concerning many of the problems with which the practitioner had to deal, and the standardization of accounts for various lines of industry and finance had not as yet made material progress. To a large extent, therefore, each practitioner did that which was right in his own eyes, and while the progressive members of the craft and students preparing for C. P. A. examinations sought to increase their knowledge by reading works published in Great Britain and obtained much benefit thereby, there still remained a great need for literature adapted to the conditions prevailing in America.

AMERICAN EDITION OF DICKSEE'S AUDITING

The first serious step in supplying an authoritative work for the profession in the United States was taken by Colonel Montgomery, when under an agreement with Mr. Lawrence R. Dicksee, an English chartered accountant, he undertook the preparation of an American edi-

tion of the latter's book *Auditing: A Practical Manual for Auditors*. This book had long been a standard work in Great Britain and had been used for some years by accountants in the United States, although differences in the laws and conditions under which business functioned in this country, as compared with those in Great Britain, limited its usefulness to the profession here. The American edition issued in 1905 proved to be of great value, not only to public accountants, but to teachers and students in the schools and colleges, which were giving increasing attention to education in business and accounting. A second edition followed in 1909.

MONTGOMERY'S AUDITING: THEORY AND PRACTICE

The first decade of this century saw vast changes in the realm of industry, and the public accountant was called upon to assume greater responsibilities as the value of his services gained increasing recognition. This naturally led to changes in methods of procedure and principle, and it was essential that accountancy literature should keep pace with the progress of the profession. Colonel Montgomery, therefore, in 1912 published his own book, *AUDITING: THEORY AND PRACTICE*, a work which, with revisions to meet new conditions, has

run into five editions and has maintained its position as the standard in its field. Students' Editions were issued in 1916 and 1917.

AUDITING PRINCIPLES

AUDITING PRINCIPLES, prepared in collaboration by Colonel Montgomery and Mr. Staub, was published in 1923 to meet the need of teachers and students in the colleges and schools of accounting who desired a text book more adapted to school work than AUDITING: THEORY AND PRACTICE, the latter being intended primarily for those in practice as public accountants.

AMERICAN BUSINESS MANUAL

An earlier work of which Colonel Montgomery was the editor was THE AMERICAN BUSINESS MANUAL in three volumes, published in 1911. The introduction to the volume on *Organization* was by A. Lowes Dickinson of the firm of Price, Waterhouse & Company; that on *Administration* contained an introduction by James G. Cannon, President of the Fourth National Bank, New York; and the introduction to the volume on *Buying, Manufacturing and Selling* was by Hugh Chalmers, President of Chalmers Motor Company.

FEDERAL TAXES ON INCOME

With the passage of the Federal Special Excise Tax on Corporations, August 5th, 1909, the public accountant's field of practice was en-

larged. The excise tax being measured by the income of the corporations, the public accountant began to be consulted by clients as to the preparation of returns and the determination of revenue and deductions therefrom as specified in the Act. The passage of the Income Tax Act of 1913, imposing taxes on the income of individuals, as well as on that of corporations, further extended the scope of the public accountant's activity, as the public, confronted with a new and, to many, a mysterious responsibility, turned to the public accountant for advice and assistance.

In an effort to meet the demand for information concerning the Act and the method of complying with its provisions, the Firm published in 1913 an INCOME TAX GUIDE by Walter A. Staub. This was the precursor of the books by Colonel Montgomery on taxation which were begun in 1917 and have since been issued at regular intervals.

INCOME TAX PROCEDURE FEDERAL TAX HANDBOOK

With the passage of the Federal Income Tax Law of 1916, Colonel Montgomery saw the need for a comprehensive exposition of the law for the use of lawyers, accountants, comptrollers and business men generally, and in 1917 issued the first edition of INCOME TAX PROCEDURE, which gained immediate acceptance, and each succeeding edition increased the reputation of this stand-

ard work. In all, twelve editions were published under the original name, the editions of 1920 and 1921 being in two volumes each, the second volumes dealing with the excess-profits tax. The editions of 1926 and 1927 were also published in two volumes each, the second volumes dealing with Excess-profits, Estate, Gift and Capital Stock taxes.

Beginning with the issue of 1932, the work has been published under the name of **FEDERAL TAX HANDBOOK**, five editions having been issued under this title. Supplementing the issues of 1935-36 and 1936-37, there were published two editions of **FEDERAL TAXES ON ESTATES, TRUSTS AND GIFTS** by Colonel Montgomery and Roswell F. Magill.

A review of the Handbook which appeared in the March, 1935, issue of the *American Bar Association Journal*, is of interest as indicating the character of this publication:

The 1934-1935 edition of Montgomery's *Federal Tax Handbook*, like its long list of predecessors, is one of the most useful volumes that the lawyer, accountant, or business man can have at hand for the variety of Federal tax problems that increase with each year. Busy tax practitioners, as well as those who need solution of such problems only occasionally, will find it a very satisfactory ready reference book. These volumes, moreover, issued since 1917 in new editions as made necessary by the new taxing acts, have been notable for their highly personal character and the salty comment with which the author has sprinkled subjects otherwise somewhat tasteless.

Many pages yield asides, advice, caution, praise for sound rulings or decisions, scorn for bad ones, philosophy, or prophecy. Instead of a mere statement that the Board of Tax Appeals in a certain case computed depreciation in a certain manner, the author quotes the language with relish, observing that it "is remarkable as much for its wisdom as for its literary flavor." Or he says, "the duty of the Treasury and the Board is becoming increasingly illogical with respect to what constitutes the accrual method of accounting." By examples he proves his point. There is almost no subject within the scope of the book that is not enriched by the author's experience, vision, and ingenious mind.

This edition is a competent successor to previous editions. Decisions and rulings added since the last edition are included, and the volume contains adequate discussions of the changes made necessary by the 1934 Act. Nor is this volume any exception to the rule that the Montgomery prefaces are read by almost everyone familiar with the taxing acts with delight, respect, and profit. Since the death of the lamented and loved Dr. Thomas Adams, no one else in the tax field has used a sharp-pointed pen so well to puncture what the author calls "the unintelligent mutterings of the ignorant and uninformed." If it should be necessary to delegate the work on the many future editions to others, the author's many friends would vote that he, and he alone, should always write the prefaces, and the longer the better.

In 1929 there was published **FEDERAL TAX PRACTICE** by Colonel Montgomery assisted by J. Marvin Haynes, Roswell F. Magill and James O. Wynn.

The income tax law of New York State was dealt with by Colonel Montgomery in his book **NEW YORK**

STATE INCOME TAX PROCEDURE, 1921.

In addition to the foregoing works on income tax, there are published in **THE FEDERAL INCOME TAX**, Columbia University Press, 1921, lectures by Robert H. Montgomery on *Reorganizations and the Closed Transaction*, and Walter A. Staub on *Consolidated Returns*. These lectures were in a series delivered at Columbia University in December, 1920.

FINANCIAL HANDBOOK

In 1925, the first edition of **FINANCIAL HANDBOOK**, edited by Colonel Montgomery, was published. It contained about 1,750 pages, and its purpose as stated in the Preface was as follows:

This Handbook is intended for constant reference by all who have in any way to do with the finances of a business. Its particular purpose is to provide readily and in sufficient detail serviceable information on all questions which are likely to arise in the financial management of business organizations whether large or small. It is designed not only for the financial manager or treasurer, but also for executives in charge of other departments who have their own particular financial problems to cope with, as well as for all who come into financial relationship with the business. In short, it deals with the manifold financial aspects and relationships, both internal and external, that go to make up the general financial management, presenting both policies and working details.

Other members of the Firm of Lybrand, Ross Bros. & Mont-

gomery and several members of the staff assisted in the preparation of this work, the following being noted among the contributors:

Eugene G. Boutelle, C. P. A.—*Budgets*; Walter S. Gee, C. P. A.—*Cost Determination*; R. F. Grover, C. P. A.—*Credits and Collections*, and *Dealings with Embarrassed Debtors*; Hamilton Howard, B. C. S., C. P. A.—*Federal Taxes*; E. Roy Kittredge, C. P. A.—*Financial Statements and Reports*; L. M. Prouse—*Foreign Exchange and Financing*; O. V. Rodrigues—*Insurance Protection*; H. M. Spandau, M. S.—*Mathematics of Finance*; E. Elmer Staub, C. P. A.—*Control of Current Operations*; Homer N. Sweet, C. P. A.—*Accounts and Audits*.

The Second Edition, 1933, mentions among the Contributing and Consulting Editors several of our organization: Hermon F. Bell, Edward F. Cloran, John A. Farrar, G. J. Farrell, A. Charles Guy, Albert E. Hunter, C. H. Knoll, Dougall McCallum, J. J. McCullough, and Prior Sinclair.

WILLS, EXECUTORS AND TRUSTEES

The Ronald Press Company in 1933 published **WILLS, EXECUTORS AND TRUSTEES**, dealing with the law, accounting and taxation of estates and trusts, including the bank and trust company as a fiduciary. The book is of joint authorship, Walter A. Staub collaborating with

William J. Grange of the New York Bar, and Eugene G. Blackford, then Vice-President of the Brooklyn Trust Company and now President of the Greenwich (Conn.) Trust Company.

BUDGETING

As business has expanded and large organizations have come into being during the last half-century, new methods and devices have become necessary in order that executives may plan wisely for, and keep closely in touch with, the operations of their organizations. An adequate system of budgeting has become of prime importance in modern industry. A definite contribution to the literature on this subject was made by Prior Sinclair out of his long and broad experience in this field, in his book *BUDGETING*, published in 1934.

RETAIL MERCHANDISING ACCOUNTING

This book by Hermon F. Bell, published in 1936, contains the results of years of experience gained in professional accounting practice principally concerned with retail merchandising. For many years, in addition to his regular work, he has lectured at Columbia University to students of retail accounting, and his book embodies the substance of these lectures.

ACCOUNTANTS' HANDBOOK

In the first edition of this work,

edited by Professor Earl A. Saliers, Ph.D. and published in 1923, special articles were contributed by members of our organization, viz.: *Audits and Working Papers* by P. E. Bacas and *Bankruptcy, Insolvency, and Receivership* by R. F. Grover. In the second edition, of 1932, there are listed among the contributing and consulting editors, Richard Fitz-Gerald, Robert H. Montgomery, Walter A. Staub, Homer N. Sweet and Edward J. Taylor.

COST PRODUCTION HANDBOOK

Among the list of contributing and consulting editors of the *Cost Production Handbook*, 1934, published by The Ronald Press is the name of Thomas B. G. Henderson.

MAGAZINE ARTICLES

In addition to the books published, the members of the Firm and staff have contributed many articles to various magazines on accounting and related subjects, and copies of technical papers have appeared in the year books and records of proceedings of accounting societies and congresses.

The *Accountant's Index* lists some sixty books and articles from the pen of Colonel Montgomery, some of them appearing in foreign publications, such as *The Accountant* (London); *Incorporated Accountants' Journal*, and *Canadian Chartered Accountant*. He has been a frequent contributor to *The Jour-*

nal of Accountancy and other accountancy publications, including, of course, the L. R. B. & M. JOURNAL.

Mr. Lybrand has written many articles dealing with the accounts of industrial organizations, municipalities and holding companies and is the author of several articles on costs and production.

Mr. Staub's writings have covered the field of taxation, and have dealt with many of the most important problems arising in this period of adjustment and develop-

ment in the realm of accountancy.

Mr. Sweet, too, has added extensively to the literature of accountancy, while most of the other partners have also appeared in print from time to time.

Several members of the staff have made valuable contributions in this connection, not only through the columns of the L. R. B. & M. JOURNAL, but in *The Journal of Accountancy* and elsewhere. Many of them have actively cooperated in the preparation of some of the works to which reference has heretofore been made.



Activities in Accountancy Education

The matter of adequate preparation for the practice of accountancy is one which has received the attention of educators and public accountants to an increasing extent during the period under review, and the members of our organization have cooperated in this cause.

At the turn of the century almost none of the institutions of higher learning offered any courses for the comprehensive study of accountancy. Because of this, the Pennsylvania Institute of Certified Public Accountants in 1902 established evening classes for the training of those in the employ of its members. Adam A. Ross was a member of the committee in charge of the classes and the sessions were held in the Philadelphia office of our Firm. Messrs. Lybrand and Montgomery were members of the faculty which gave the instruction in the classes. The results of the work of these classes were so satisfactory, that in 1904 the Wharton School of the University of Pennsylvania took over the work under a guarantee against loss by certain accountants who had been interested in the school.

In 1919 Colonel Montgomery was appointed Professor of Accounting in the School of Business of Columbia University and occupied this chair until 1931. Prior to that time he had conducted special

courses in accounting and had lectured before the students of the Evening School of Accounts and Finance of the University of Pennsylvania and elsewhere. He is at present on the Advisory Committee concerning courses in Professional Accountancy at Columbia University.

Colonel Montgomery also has donated to the School of Business of Columbia University a collection of rare books illustrating the history and development of accounting, some of the volumes dating from the fifteenth century.

Mr. Gee lectured regularly at Columbia for many years on Cost Accounting. Mr. Staub has lectured on various subjects at Columbia, New York and Harvard Universities and the Universities of Michigan and Georgia.

Mr. Sweet has lectured on accounting at the Harvard University Graduate School of Business Administration from 1927 to the present time. During the past two years Mr. Perry has been a special lecturer at the Tuck School of Business Administration of Dartmouth College. For the past fifteen years Mr. Bell has conducted a course in Retail Accounting at the School of Business of Columbia University.

Mr. Keast has been consulting professor of accounting at the

Graduate School of Business Administration of Stanford University since September 1st, 1935.

Mr. Hawes is a member of the Advisory Committee on Accountancy at the University of Illinois.

Mr. Ives is a consultant to the faculty of the Emory University School of Business Administration for the current year.

Of the members of the staff, C. W. Schelb of Chicago is on the faculty of the Walton School of Commerce; E. Phillip Ellenberger of the Cleveland office is Lecturer in Accounting at Cleveland College of

Western Reserve University; Robert Buchanan of San Francisco has been a member of the faculty of Golden Gate College, San Francisco, since 1924; C. L. Queen of the same office was a member of the faculty of San Francisco Institute of Accountants from 1931 to 1935, and also of Golden Gate College from 1932 to 1935; and C. F. Smith has also been a member of the faculty of Golden Gate College since 1923; Harold E. Bischoff of the New York office is one of the officers of instruction of the School of Business of Columbia University.



Participation in Professional Societies

Even before the Firm was formed in 1898, its founders had sensed the need for, and had participated in, the organization of the practitioners of public accountancy into societies which would bring the strength of cooperation to the development of the young profession in which they were engaged.

PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNT- ANTS

The first professional body with which the founders of Lybrand, Ross Bros. & Montgomery were affiliated was the Pennsylvania Association of Public Accountants, organized on March 30th, 1897, of which the four original partners were charter members. The name was later changed to Pennsylvania Institute of Certified Public Accountants. Of the first fifteen members, five are living to-day, three of them being members of our Firm. Although the American Association of Public Accountants had been formed ten years earlier, it offered little at that time to the young accountant, especially to those residing outside New York City.

The first officers of the Pennsylvania Association of Public Accountants were John Heins, President; John Vaughan, Vice-President; J. E. Sterrett, Secretary; and William M. Lybrand, Treas-

urer, a post which he occupied for four years. John W. Francis and William M. Lybrand drew up the constitution and by-laws of the Association. The small group composing the membership at that time worked together in hearty cooperation in securing the passage of the first C. P. A. law in Pennsylvania on March 29th, 1899. Charles N. Vollum, senior partner of the firm of Vollum, Fernley & Vollum, did yeoman service in this connection.

Among the activities of the Association was the publication of *The Public Accountant*, which ran for about two years when it was merged with the magazine *Business*. In the first number, issued October, 1898, appeared an article by Mr. Lybrand, outlining the objects, membership and government of the Association.

Mention is made elsewhere of the participation by founders of our Firm in the work of the evening classes established by the Pennsylvania Institute in 1902 which were taken over by the Wharton School of the University of Pennsylvania in 1904.

Mr. Lybrand served as President of the Institute from 1902 to 1904, Adam A. Ross from 1906 to 1908, T. Edward Ross from 1911 to 1913, and Mr. Pugh from 1917 to 1919. The office of Secretary had been filled by T. Edward Ross for one

year, Adam A. Ross for two years and Mr. Pugh for two years; and Mr. Russell was Treasurer from 1933 to 1935.

Messrs. Lybrand, T. E. and A. A. Ross, Pugh, Keast, Hood and Marsh have been members of the Council of the Institute and they and other members of the Firm have served on the Institute's Committees. Mr. Keast became chairman of the Pittsburgh Chapter upon its formation in 1922 and served for one year. Mr. Fischer served two years, 1935 to 1937, as Chairman of its Philadelphia Chapter, and Mr. Marsh was Chairman of the Pittsburgh Chapter, 1932-1933, after serving the previous year as Vice-Chairman.

FEDERATION OF STATE SOCIETIES

The earliest State Societies of public accountants to be established were the New York State Society of Certified Public Accountants, the Pennsylvania Association of Public Accountants and the Illinois Association of Public Accountants, all three of which were organized in March, 1897. These state bodies, working individually, were found to be of great advantage in the development of the profession in their respective territories, but as time went on it became apparent that there was need for cooperation between the Societies if the standards of the profession as a whole were to be established and maintained on a sound foundation.

In 1902, the late George Wilkin-son, then President of the Illinois Association of Public Accountants, proposed a plan for bringing the state associations into active association. The plan met with the approval of many of the leaders of the profession, and with their cooperation an organization was effected in October, 1902, under the title of *The Federation of Societies of Public Accountants in the United States of America*. The officers for the first year were: President, Charles Waldo Haskins, New York; Treasurer, Robert H. Montgomery, Philadelphia; Secretary, George Wilkinson, Chicago.

The Federation's program included the encouragement of the organization of state societies of accountants, and in its first two years eleven such societies were formed, bringing the total number to twenty.

FIRST CONGRESS OF ACCOUNTANTS

An outstanding accomplishment of the Federation was the sponsoring of the First Congress of Accountants held at the World's Fair, St. Louis, September 26th, 27th and 28th, 1904. The Congress attracted the attendance not only of accountants from all parts of the United States, but from Canada, England and Holland as well, and the Congress may well be regarded as the first of the international gatherings, three subsequent international gatherings having since been held to which reference will be made later

in this article. Messrs. Lybrand, A. A. Ross, Montgomery, Pugh and Staub were in attendance.

Among the papers presented was one by Mr. Montgomery, who read a paper on *The Importance of Uniform Practice in Determining the Profits of Public Service Corporations Where Municipalities Have the Power to Regulate Rates*. Several points in this paper brought forth interested discussion and a special committee was appointed to give further consideration to the subject and to make a report thereon to the Congress. The principles there set forth subsequently obtained widespread recognition in the application of the accounts of public utility corporations to the determination of rates.

At the banquet, which was one of the high lights of the Congress, Mr. Lybrand responded to the toast, *The Profession of the Public Accountant*.

Prior to the meeting of the Congress a prize had been offered for the best paper on *The Mode of Conducting an Audit*. The competition was open to any member of a public accountant's staff and was won by Walter A. Staub.

AMERICAN ASSOCIATION OF PUBLIC ACCOUNTANTS

During the St. Louis Congress, the Executive Board of the Federation took under consideration proposals by the American Association of Public Accountants and the New

York Society of Certified Public Accountants that there should be one national organization. A joint committee of nine was appointed, Colonel Montgomery being one of the three members representing the Federation, and as a result of its work the Federation and the American Association were merged in 1905 under the name of the American Association of Public Accountants. Colonel Montgomery was elected a Trustee of the Association for three years and also served on two of its committees. Mr. Lybrand also served on the Committee on Finance.

From the time of the merger, members of the Firm have been active in the affairs of the national body. A. A. Ross, by virtue of his position as President of the Pennsylvania Institute, was a Vice-President of the Association in 1906 and 1907, and served as a Trustee and as a member of several committees, being Chairman of the Committee on Arrangements for the Annual Meeting in 1908, when the Association celebrated its twenty-first anniversary. Mr. Lybrand was a member of the Committee on Attendance and Invitations. The occasion was marked by the attendance of several accountants from abroad, William Plender (now Lord Plender), of the Institute of Chartered Accountants in England and Wales; Harry Lloyd Price, President of The Society of Incorporated Accountants and Auditors, London; Clare Smith, Presi-

dent of The Bristol Society of Chartered Accountants; Richard Brown, Secretary of the Society of Accountants in Edinburgh; Alexander Moore, Jr., of The Society of Accountants and Actuaries in Glasgow; George Hyde, President of the Association of Accountants in Montreal; W. H. Cross of the Dominion Association of Chartered Accountants; C. S. Scott, President of the Institute of Chartered Accountants of Ontario; John Hyde of Montreal, representing the Society of Incorporated Accountants and Auditors, Canadian Branch; W. E. Leverman, of the Institute of Chartered Accountants of Nova Scotia; Hubert Reade of the Manitoba Association, and several other members of the profession from Great Britain and Canada.

As President of the Pennsylvania Institute in 1911 and 1912, T. Edward Ross became a Vice-President of the Association during that period, and also served on the Executive Committee during 1911.

In 1912 Colonel Montgomery was elected President of the Association and was reelected in 1913. Mr. Lybrand was a member of several of the committees covering the period from the merger with the Federation until the reorganization and the change of the name to "The Institute of Accountants in the United States of America" in 1916. The following year the name "The American Institute of Accountants" was adopted.

THE AMERICAN INSTITUTE OF ACCOUNTANTS

Upon the reorganization, A. A. Ross became Treasurer, a post he occupied for three years. Colonel Montgomery served for many terms on the Council and the Executive Committee, as did T. Edward Ross, both of them being members of the Council at the present time. Mr. Lybrand and A. A. Ross were members of the Council and of several of the important committees. Messrs. Pugh, Staub, Moss, Sweet, Keast, Gee, Dumbille, Sinclair, Perry, Hood, Marsh, Warren, Miller and Lenhart have also served on committees. The committee work of the Institute has become increasingly important, especially the Committee on Cooperation with Stock Exchanges, to which Mr. Staub has devoted much time. The Work of the Committee on Cooperation with the Securities and Exchange Commission, of which Mr. Sweet has been a member, is of outstanding value to the profession, and the other activities of the Institute have called for much serious thought and service.

The organization of the American Society of Certified Public Accountants in 1921 brought into being a second national body. As time went on and the contacts of accountants with the several Federal bureaus and commissions multiplied, a very unsatisfactory situation was created by the activities of two rival organizations, each claiming to represent

the public accountants throughout the United States. Among those who felt that this condition should be remedied was Colonel Montgomery, who for many years advocated the merger of the two bodies, and Mr. Staub who also spoke and wrote in favor of it. Negotiations to this end were begun and a joint committee, composed of members of the Institute and the Society, submitted a plan to the annual meetings of the two bodies in 1935, which eventually resulted in the union of the two organizations. Mr. Staub was a member of the committee appointed by the Institute and was selected to act as chairman of the joint committee.

Colonel Montgomery was elected President of the Institute in 1935 and served for two terms. The merger, therefore, was completed during his term of office. He had participated thirty years previously, as heretofore noted, in the union of The Federation of Societies of Public Accountants in the United States of America with the American Association of Public Accountants.

The Fiftieth Anniversary of the formation of the American Association of Public Accountants was celebrated at the time of holding the annual meeting of the Institute in October, 1937. Representatives of accounting societies were in attendance from Holland, Great Britain, Ireland, Canada, Mexico and Germany. It was fitting that the

Fiftieth Anniversary should be observed by a reunited national organization.

At that meeting, Gilbert R. Byrne, of the New York staff, was awarded a prize of \$500 as the winner of a contest conducted by the Institute, for his essay on the question, *To What Extent Can the Practice of Accounting Be Reduced to Rules and Standards?*

INTERNATIONAL CONGRESSES

The first Congress was held in St. Louis in 1904, to which reference has heretofore been made. In 1926 the second Congress was held in Amsterdam. The accounting associations of eighteen European nations were represented and delegates were present from the United States of America. Colonel Montgomery presented a paper on the subject, *Legislation of the Profession*, and took an active part in the proceedings. At the dinner, which was given at the close of the Congress, he proposed the toast, *Hands Across the Sea*.

In 1929 the Third International Congress was held in New York. Colonel Montgomery served as Chairman of the Executive Committee in preparation for the Congress and also as its President. Mr. Staub read a paper on *Consolidated Financial Statements*, and Mr. Gee on *Accounting for Burden*.

On the recommendation of the Roumanian delegation, the Roumanian Government accorded to Colonel

Montgomery the honor of Commander of the Crown of Roumania in recognition of his conduct of the meetings of the Congress.

The Fourth International Congress was held in London in 1933. Colonel Montgomery occupied the chair at one of the sessions, and at a later meeting presented the American point of view of *The Auditor's Responsibility in Relation to Balance-sheets and Profit and Loss Accounts*. He also spoke at the concluding session of the Congress, and made one of the responses at the banquet to Prince George's toast to *The Fourth International Congress*.

Mr. Staub also was among the representatives from the United States, and as President of The New York State Society of Certified Public Accountants extended the greetings and good wishes of that body to the Congress.

STATE SOCIETIES OF CERTIFIED PUBLIC ACCOUNTANTS

In addition to the participation by members of the Firm in the activities of the Pennsylvania Institute of Certified Public Accountants heretofore noted, the partners have usually taken an active interest in the affairs of the societies in the states in which they have been resident.

New York

After serving as Vice-President of The New York State Society of Certified Public Accountants for the

year 1921-22, Colonel Montgomery was elected President and served for two years. Mr. Staub was Vice-President from 1930 to 1933 when he became President and was re-elected for a second year. He has served for many years as a Director of the Society.

Mr. Sinclair served as Acting Treasurer for 1929-1930, and as Treasurer from 1930 to 1933. Messrs. Montgomery, Staub, Henderson, Dumbrille, Sinclair, Bell, Lenhart and Taylor and various members of the staff have served on the Society's committees.

Massachusetts

The office of President of the Massachusetts Society of Certified Public Accountants was occupied by Mr. Perry, 1932-33, and by Mr. Sweet in 1935-36.

Illinois

Mr. Henderson was a Director of the Illinois Society of Certified Public Accountants, 1926-28, Chairman of the Committee of Investigation and Complaints, 1926-30, and a member for the two following years. Mr. Miller was Secretary-Treasurer from 1928 to 1933, Vice-President, 1933-34, and a member of various committees. He was a member of the Board of Examiners for the State of Illinois from 1934 to 1937, and during two years of this period was its Chairman.

Mr. Hawes has also served on various committees of the Society,

among them as a member of the special committee which cooperated with the Joint Commission on Real Estate Valuation in preparing appraisal standards for assessing personal property in Illinois. In 1937 he was appointed to membership on the Advisory Committee on Accountancy of the University of Illinois.

Ohio

Mr. Warren served as Vice-President of the Ohio Society of Certified Public Accountants and was elected President of its Cleveland Chapter in 1931, and appointed a member of the Society's Legislative Committee. He became a member of the Cleveland Chamber of Commerce Committee on Federal Taxation in 1935.

California

Mr. Keast has been a member of the California State Board of Accountancy since 1925. Mr. Gibson was Vice-President of the California State Society of Certified Public Accountants in 1935, as well as a member of several committees in the State Society and the Los Angeles Chapter.

Texas

During his lifetime Mr. William P. Peter had been active in the work and councils of the Texas Society.

Mr. Mohle, of the Houston office, served as Director and was elected Vice-President of the Texas Society of Certified Public Accountants in

1936. At present he is President of the Society.

Georgia

In the Georgia Society of Certified Public Accountants, Mr. Ives served as Treasurer, 1934-36, and as Chairman of the Board of Trustees, 1937-38, as well as Chairman of its Atlanta Chapter, 1936-37.

State of Washington

In the Washington Society of Certified Public Accountants, Mr. Griffith was President and Director, 1934-36, and has served as Chairman of various committees. He acted as General Chairman of the Fifteenth Annual Conference of the Pacific Northwest Certified Public Accountants in 1937.

Oregon

In 1931 Mr. Kork, then manager of the Portland office, was elected President of the Oregon Society of Certified Public Accountants. He served as Treasurer of the Portland Junior Chamber of Commerce, a body which he had helped to organize, and in 1935 was elected a Director and Treasurer of the Portland City Club.

Michigan

Mr. Yockey acted as Chairman of the Committee on Seventh Annual Conference, 1931, sponsored by the Michigan Society of Certified Public Accountants and the Michigan Society of Public Accountants. He

was elected Treasurer of the Michigan Society of Certified Public Accountants in 1932, and has since served on various committees of the Society.

NATIONAL ASSOCIATION OF COST ACCOUNTANTS

Among the developments in accounting of the past forty years, has been the increasing attention given to industrial accounting. In addition to the ascertaining of costs of manufactured product, it has involved a greater and more specialized use of accounting for the directing of industrial operations. Even before that period some progressive accountants and executives had recognized the growing need for reliable data of this character as an aid to efficient management. As a result, certain engineers and accountants began to specialize in this field, and there developed an increasing demand on the part of industrial concerns for comptrollers who were conversant with industrial accounting methods, and for competent assistants who were trained in this branch of accounting.

Pioneers in this field were faced with many difficult problems in devising and installing systems by which reliable costs could be ascertained readily and at not too great an expense. The advantages of conference and cooperation in the solution of these problems became apparent and resulted in the formation of the National Association of Cost

Accountants in October, 1919. This Association has been fortunate in having as its Secretary practically from its inception Mr. Stuart C. McLeod, to whom is due in large measure its remarkable growth and accomplishments.

The members of the Firm and of the staff have taken a keen interest in the N. A. C. A. since its beginning. Mr. Lybrand was elected First Vice-President at its formation and was President for the two following terms, and he devoted much time and thought to establishing the young organization on a sound basis. During the first year he was a member of the Executive Committee and the Committee on Publications and was Chairman of the Committee on Constitution and By-Laws. After he retired from the presidency he served as a Director for three years, being in charge of lectures for two years.

Mr. Gee was elected a Director for three years in 1919 and reelected for another period of three years in 1922. The first year he was Chairman of the Committee on Applications and a member of the Committee on Chapters. The following year he was a Director of the New York Chapter. He served as Vice-President in 1923-24 and the following year was again elected as a Director for a term of three years. In 1928 he was elected Vice-President for a second time and reelected the following year. He became President in June, 1930. From the

organization of the Association in 1919 until his death on December 31st, 1930, he had held office continuously with the exception of the year 1927-28. As Director in Charge of Publications for two years from 1921 to 1923, he devoted much time in developing the publication plans of the Association during its early years.

Mr. Marsh was elected President of the Association in 1937. For many years he has been active in the Pittsburgh Chapter, having served as its Vice-President and President, and as Chairman of the Committee in Charge of the Twelfth Annual Cost Conference held in Pittsburgh in 1931. He became a Director of the national body in 1932 and Vice-President in 1935, and was Director in Charge of Chapters in 1934 and 1935.

Several of the partners and staff members have served in official capacity in the local chapters. Mr. Staub has been much in demand as a speaker at chapter meetings, and Colonel Montgomery and Messrs. Sweet, Warren, Russell, Ives, Gibson and others have been among the

speakers at various gatherings of the Association.

STATE BOARDS OF EXAMINERS

In the development of public accountancy during the past forty years, the boards created by the several States to examine applicants for certificates as Certified Public Accountants have played an important part. In Pennsylvania, Adam A. Ross served on the board for eight years, Mr. Pugh for twelve years and Mr. Marsh for three years. Mr. Keast has been a member of the California board since 1925 and Mr. Miller served on the board in Illinois from 1934 to 1937.

Growing out of the administration of the C. P. A. law in New York State was the creation by statute of the Council on Accountancy in 1929. Colonel Montgomery was appointed the first chairman of the Council and has continued so to serve up to the present time.

The Firm has also had a part in the work of the Board of Examiners of the American Institute of Accountants, Mr. Staub having served one term as a member of that body.



The L. R. B. & M. Journal

Published by Lybrand, Ross Bros. & Montgomery, for free distribution to members and employees of the firm.

The purpose of this journal is to communicate to every member of the staff and office plans and accomplishments of the firm; to provide a medium for the exchange of suggestions and ideas for improvement; to encourage and maintain a proper spirit of cooperation and interest, and to help in the solution of common problems.

PARTNERS

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Paris

A Record of Forty Years

When our firm had completed twenty-five years of practice in the profession of accountancy, a special issue of the L. R. B. & M. JOURNAL was devoted to a record of the quarter-century history. Now that forty years have elapsed since the founding of the firm, it seemed fitting that the historical pen be again taken in hand so that the record might be brought up to date. This seemed all

the more appropriate in that two of the founders of the firm, Mr. Lybrand and Mr. Edward Ross, had during the past year completed fifty years of practice and each of them had written their recollections of that long period of time. Both of the articles, which were published in our JOURNAL, form a valuable part of the firm history.

The group of articles recording the firm's history which appears in

this issue of the JOURNAL under the general title of THESE FORTY YEARS was prepared by Mr. Ross at the editor's request. They represent an immense amount of work and we are all indebted to him for this contribution to the record of the firm's activities and the development of its organization in both the United States and Europe during the past four decades.

It is a source of extreme satisfaction that Mr. Ross' researches show, not only devotion to the interests of the firm's clients which we like to think is responsible for the growth of its practice during the past forty years, but also much service contributed to the development of the profession at large by the partners and staff members. This has been done through active participation in the work of our professional societies, through numerous and varied contributions to the literature of the profession and to business magazines and other periodicals, through teaching and lectures in universities and other schools, and through addresses to accounting societies and business organizations.

An interesting incident of the completion of forty years of practice by the firm was the receipt on December 30th last of a cablegram from Tientsin, China, in which our correspondent there, Mr. Emil S. Fischer, sent the message, "Congratulations Fortieth." At that time the Japanese were actively carrying on their drive in that part of China,

the newspapers of December 31st carrying reports of the looting of Tsingtao and of the dropping of 700 bombs in the Tsinan district of Shantung province by Japanese planes. This was no further from Tientsin than Washington is from New York and it seemed remarkable that under these hectic circumstances Mr. Fischer should be thinking of our fortieth anniversary.

W. A. S.

New Editions of Tax Books

In the May issue of the JOURNAL mention was made of the preparation of new editions of Colonel Montgomery's *Federal Income Tax Handbook* and *Federal Taxes on Estates, Trusts and Gifts*. The work was actively carried on during the Summer and it is expected that the books will come from the press well in advance of the end of the year. Thus they should be helpful to taxpayers and their advisers with respect to calendar year tax returns which are being made for the first time under the 1938 Revenue Act.

A revised edition of *Federal Tax Practice*, which has been in process of preparation by Colonel Montgomery in collaboration with Messrs. Haynes, McGuire, Magathan and Wynn of our organization, will be released for publication at or soon after the appearance of this issue of the JOURNAL.

The Bunkers Club

Much to the dismay of the greens-keeper, but much to the pleasure and amusement of the participants, the annual golf tournament of the Philadelphia Office was held at the beautiful St. Davids Golf Club on Monday, May 16th.

The occasion became an important date in our history because of the new cups which were put into competition and the number of other prizes offered. Of major importance among the prizes were the Drabenstadt Cup for this medal-play tournament (which replaces the Hood Cup, permanently won last year) and the Adam Averell Ross Golf Memorial Trophy, presented by Mr. T. Edward Ross. The eight players having the lowest gross scores in the tournament for the Drabenstadt Cup are now engaged in match play for the Ross Memorial Trophy (excluding the donor, however, who also would have qualified). This latter cup is to remain in the custody of three trustees appointed by Mr. Ross. Each year the winner's name will be engraved thereon, and in addition, Mr. Ross hopes to reward him with a small replica of

the trophy for his permanent possession.

In addition to the two cups, there was a total of twelve other prizes, donated by the partners and Miss Ross. Probably the most novel of the competitions was the effort to drop your first tee shot closest to the pin on the 155-yard sixth hole. It seems appropriate that, after all the other fine examples Mr. Edward Ross has set for us, it should fall to him to show us how to play this hole, for he won the prize, being only a club's length away from the pin (and he did sink the putt for a 2).

Possibly there may be some who do not feel that it was very gracious of our host, Mr. Metzler, to win the first leg on the Drabenstadt Cup on his home course, but apparently good golf cannot be denied no matter where it is played.

Unquestionably the old expression "A good time was had by all" was most appropriate, and the only note of gloom was the finish of the day and the thought of the long wait until next year.

A complete list of the prizes and winners follows:

Low Net
Low Gross—18 holes
Low Gross—1st Nine
Low Gross—2d Nine
Low Gross on Long Par
—4 Holes
Low Gross on Four Par
—3 holes

The Drabenstadt Cup
Merchandise Order
Golf Balls
Golf Balls
Merchandise Order
Byrd-Cloth Jacket

F. S. Metzler
E. J. Lynch
R. H. Snyder, Jr.
L. B. Carpenter
J. H. Rogers, Jr.
R. S. McIver

Birdies	Pullover Sweater	H. R. Paige
Nearest to Pin on 6th Hole	Golf Club	T. E. Ross
Putting Contest	Merchandise Order	W. R. Seibert
Kickers' Handicap	Golf Balls	M. J. Gauger
Highest Score on One Hole	Vest Pocket Calculator	D. N. Smith
High Gross Score	Tennis Racket	W. T. Lake
Most Putts on One Green	Practice Golf Balls	G. A. Hewitt
		M. E. R.

Spring Outing of New York Office

On June 21, 1938, the New York office held its annual Spring outing at the Pelham Country Club. This event has come to be looked upon as the official opening of the golfing season and is always anticipated with pleasure. This year's outing was doubly enjoyable because it was again held at that fine course which so many of us have come to love. In addition to all the other facilities which the club affords, a new outdoor swimming pool has been added. The weather was perfect for all the activities participated in.

During the morning, informal practice rounds of golf were played. After an enjoyable luncheon, 87 golfers teed off in quest of the several prizes to be awarded for low net scores. All managed to reach the home green before dark and with-

out casualties. While the club swingers were battling the golf course a number of men played tennis, others enjoyed the pool, and some just lounged under the trees, presumably recovering from the strenuous winter's work just completed.

At the conclusion of the day's activities, the entire party assembled on the outdoor terrace of the club where, in that beautiful twilight setting, a very fine dinner was served. During the dinner, prizes in the several groups were awarded for proficiency on the golf course to Messrs. Bretnall, Potter, Ondrick, Wuerz, Pierce and Tracy. The day's activities concluded with bridge by a number of ardent devotees of that indoor sport.

W. N. V.

Notes

J. Wesley Huss, Jr., a member of the staff of our Rockford office, has been granted the Elijah Watt Sells Scholarship Award for receiving the highest grade in the examinations of the American Institute of Accountants in May, 1938. This award is in the form of a gold medal which will be presented to him at a meeting of accountancy examiners under the auspices of the Association of C. P. A. Examiners and Board of Examiners of the American Institute of Accountants to be held at Cincinnati, Ohio, September 26th, 1938, during the annual meeting of the Institute.

At the same examination Mr. Huss also won the gold medal of the Illinois Society of Certified Public Accountants. Each year the Illinois Society awards a gold and a silver medal to the two candidates for the C. P. A. certificate in that state who have achieved the highest average grades in the examination. That there was considerable competition is evident from the fact that 332 candidates sat for the Illinois examination.

The firm extends its cordial congratulations to Mr. Huss on this splendid achievement.

Mr. Huss graduated from the College of Commerce of the University of Illinois in 1931. He has been connected with our Rockford office since that time.

With the annual meeting of the National Association of Cost Accountants held in Chicago last June, Mr. Marsh completed the activities of his term as president of the Association. During his year as president he visited fifty of the Association's chapters scattered throughout the country from coast to coast. This was indeed a strenuous program of both speaking and travel and was the climax of many years of interest and active participation in the work of the Association.

In reporting in the *N.A.C.A. Bulletin* the change of officers, the Secretary of the Association wrote:

Time Marches On! Another year and another President. So long, Bill, you have been a grand companion and your loyal and sincere service during the past year has been one of the most valuable contributions which has ever been made to N.A.C.A. As a matter of fact, I might almost go so far as to say it has been worth all these tortuous years of living just to know you so well.

Each year the Cleveland Chapter of the National Association of Cost Accountants awards a prize of \$25 for the best paper read during the year at its meetings. The special committee of the Board of Directors which reviewed the various articles awarded Mr. Warren's paper on inventories the prize for the past Chapter year.

At the annual meeting of the Pennsylvania Institute of Certified Public Accountants which was held at Sky Top, Pa., June 17-19, Mr. Fischer was elected Vice-President for the ensuing year.

Mr. Robert Buchanan, of the San Francisco office, spoke at the Second Annual Summer Conference of Business Executives from the eleven Western States at the Graduate School of Business at Stanford University on Federal and California Tax Problems, and acted as leader of the ensuing discussion at a meeting held on July 21.

Mr. A. R. Wood of the Boston office volunteered to conduct a class of staff members in preparation for the C.P.A. examinations this Fall. The class meets two mornings per week at 7 A. M. and devotes the time to working problems with the primary purpose of developing speed and familiarity with handling accounting problems under the conditions of the examination. Despite the early hour at which the class meets, all but two of those members of the Boston staff who do not yet have their C.P.A. certificates enrolled.

Since publication of the May issue of the JOURNAL three members of our organization passed away who had been with the firm for many years and had rendered it faithful and efficient service.

S. L. Skinner of the San Francisco office was taken ill last January and died in the hospital on May 12. He was unmarried. Including the time spent with Messrs. Klink, Beane & Co., whose practice was merged with ours in 1924, he had been with us continuously for twenty-two years.

John W. White entered the employ of our New York office in 1918 and, excepting for an interval of about five years during which he was in the employ of one of our clients, had been with the firm up to the date of his death, September 6th. His demise was unexpected as he was at the office of one of our clients until noon. His widow and six children survive him.

Burwell Cummings entered our Philadelphia office late in 1928. During the following year he was transferred to the Pittsburgh office. He was a member of the Pennsylvania Institute of Certified Public Accountants and of the National Association of Cost Accountants. He was a student of industrial accounting and took an unusual personal interest in the affairs of our clients whom he served. Besides his widow, he leaves two children.

Our good friend and correspondent in China, Mr. E. S. Fischer, has sent us a copy of a thesis on the subject of Depreciation of Fixed Assets in Accounting written by Mr. Wang Shao Fu, a student in Kung Shang University. The bibliography in-

cludes reference to articles in the L. R. B. & M. JOURNAL by Colonel Montgomery and Messrs. Sweet, Davidson, Ochis and Marik.

Mr. James P. Allen, formerly in the New York office but now at Atlanta, recently passed the C.P.A. examination in Georgia. We understand he is the first man to pass the examination in all subjects at first sitting since the use of the American Institute examination papers was inaugurated in Georgia two or three years ago.

Messrs. Horace D. Brown and Ralph S. Olpin have recently received California C.P.A. certificates.

Mr. J. E. Watte, of the Chicago office staff, passed the May, 1938 Illinois C.P.A. Examination.

The following members of the staff of the New York office recently passed the C.P.A. examination :

W. H. Davidson	H. J. Olson
E. C. Eve	A. M. Stollmeyer
E. O. Gerhardt	J. M. Viol
E. W. Higbee	J. S. Warner
J. K. Loughry	R. W. Yoder
A. F. Mueller	

The following have been admitted to membership in the New York State Society of Certified Public Accountants :

B. J. Callahan
H. N. Case (Associate)
H. S. Geneen
C. Ondrick
R. H. Schlereth
H. S. Sekerak (Associate)
H. S. Tallman

Thomas J. Cogan and Eli A. Sherwood, of the New York office staff, have become members of the National Association of Cost Accountants.

Some of our offices report the changing to a fiscal year other than the calendar year by a number of clients. This is interesting in view of the educational work done by the Natural Business Year Council during the past several years in leading business men to see that in many trades and industries the calendar year is not the natural business year, and that it is highly desirable that every business concern adopt that fiscal year which, in the light of the circumstances in its trade, seems best adapted to it.

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CHICAGO	231 South LaSalle Street
BOSTON	80 Federal Street
BALTIMORE	First National Bank Building
WASHINGTON	Investment Building
PITTSBURGH	Union Bank Building
DETROIT	Book Building
CLEVELAND	Midland Building
CINCINNATI	Carew Tower
LOUISVILLE	Heyburn Building
SAINT LOUIS	411 North Seventh Street
ROCKFORD	321 West State Street
ATLANTA	Healey Building
DALLAS	First National Bank Building
HOUSTON	Shell Building
SAN FRANCISCO	2 Pine Street
LOS ANGELES	510 South Spring Street
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